



U.S. Department  
of Transportation  
**Pipeline and Hazardous  
Materials Safety  
Administration**

1200 New Jersey Avenue SE  
Washington DC 20590

## 2015 Gas State Program Evaluation

for

NEW YORK PUBLIC SERVICE COMMISSION

### Document Legend

#### PART:

- O -- Representative Date and Title Information
- A -- Progress Report and Program Documentation Review
- B -- Program Inspection Procedures
- C -- Program Performance
- D -- Compliance Activities
- E -- Incident Investigations
- F -- Damage Prevention
- G -- Field Inspections
- H -- Interstate Agent State (If Applicable)
- I -- 60106 Agreement State (If Applicable)



# 2015 Gas State Program Evaluation -- CY 2015

Gas

**State Agency:** New York

**Agency Status:**

**Date of Visit:** 08/08/2016 - 08/25/2016

**Agency Representative:** Kevin Speicher, Chief Pipeline Safety

**PHMSA Representative:** Rex Evans, Office Records Evaluation August 8-10, 2016. Don Martin and Jim Anderson August 16-18, 2016 - Field Evaluations. Agustin Lopez August 23-25, 2016 - Field Evaluations

**Commission Chairman to whom follow up letter is to be sent:**

**Name/Title:** Ms. Audrey Zibelman, Chair

**Agency:** New York State Public Service Commission

**Address:** Empire State Plaza, Agency Building 3

**City/State/Zip:** Albany, NY 12223-1350

**Rating:**

**60105(a):** Yes **60106(a):** No **Interstate Agent:** Yes

## INSTRUCTIONS:

Complete this evaluation in accordance with the Procedures for Evaluating State Pipeline Safety Program. The evaluation should generally reflect state program performance during CY 2015 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

## Field Inspection (PART G):

The field inspection form used will allow different areas of emphasis to be considered for each question. Question 13 is provided for scoring field observation areas. In completing PART G, the PHMSA representative should include a written summary which thoroughly documents the inspection.

## Scoring Summary

### PARTS

A	Progress Report and Program Documentation Review
B	Program Inspection Procedures
C	Program Performance
D	Compliance Activities
E	Incident Investigations
F	Damage Prevention
G	Field Inspections
H	Interstate Agent State (If Applicable)
I	60106 Agreement State (If Applicable)

### Possible Points Points Scored

10	9.5
13	13
50	48.5
15	15
11	11
8	8
12	12
6	6
0	0
<b>125</b>	<b>123</b>

### TOTALS

**State Rating** ..... **98.4**

## PART A - Progress Report and Program Documentation Review

Points(MAX) Score

- |                                                                                                                                                          | Points(MAX) | Score |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------|
| <b>1</b> Accuracy of Jurisdictional Authority and Operator/Inspection Units Data - Progress Report Attachment 1<br>Yes = 1 No = 0 Needs Improvement = .5 | 1           | 1     |

Evaluator Notes:

Information reviewed appears correct.

- |                                                                                                                         |   |   |
|-------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>2</b> Review of Inspection Days for accuracy - Progress Report Attachment 2<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Person-day calculation method was revised starting around September 2015, numbers look closer to being in line with actual days. Inspectors physically spent a great deal of time at operator site making person-days higher than most. Informed thorough review of CY2016 will be done after full year of information is analyzed.

- |                                                                                                                                                             |   |   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>3</b> Accuracy verification of Operators and Operators Inspection Units in State - Progress Report Attachment 3<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

The information reviewed appears correct.

- |                                                                                                                                                                 |   |     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---|-----|
| <b>4</b> Were all federally reportable incident reports listed and information correct? - Progress Report Attachment 4<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 0.5 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---|-----|

Evaluator Notes:

Improvement needed, the reportable incidents were not all listed. Will have correction done and necessary changes made to Attachment 4. Also had some incidents listed which ended up non-jurisdictional. Recommend listing all that have NRC #'s associated in comments section to make sure all are accounted for.

- |                                                                                                                                 |   |   |
|---------------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>5</b> Accuracy verification of Compliance Activities - Progress Report Attachment 5<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Information is compiled by each office and blended together for total.

- |                                                                                                                                            |   |   |
|--------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>6</b> Were pipeline program files well-organized and accessible? - Progress Report Attachment 6<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|--------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

In general files were accessible - in process of getting information system in place in order to better organize files in a user-friendly manner. We look forward to new system and better organized files.

- |                                                                                                                                                     |   |   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>7</b> Was employee listing and completed training accurate and complete? - Progress Report Attachment 7<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

No issues found.

- |                                                                                                                                            |   |   |
|--------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>8</b> Verification of Part 192,193,198,199 Rules and Amendments - Progress Report Attachment 8<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|--------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Discussion held as the necessary adoptions occurred in CY2015 to bring this in line with federal regulations. Since federal

code was adopted per code section into NY code, had discussion about any crossover issues with Part 192 and what was adopted.

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- |          |                                                                                                                                                                        |   |   |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>9</b> | List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:  
No issues.

- 
- |           |                                            |           |           |
|-----------|--------------------------------------------|-----------|-----------|
| <b>10</b> | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|-----------|--------------------------------------------|-----------|-----------|

Evaluator Notes:

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Total points scored for this section: 9.5  
Total possible points for this section: 10



## PART B - Program Inspection Procedures

Points(MAX) Score

- |   |                                                                                                                                                                                                                                                                                    |   |   |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 1 | Standard Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 2 | 2 |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Yes = 2 No = 0 Needs Improvement = 1

### Evaluator Notes:

For interstate audits:

Section 10 of the Staff Guidance Manual, located in R:\division\gaswater\safety\sgm\SGM Update, states that NYS provides PHMSA Eastern Region with aide in developing the inspection schedule for the upcoming year. An inspection schedule and tracking form is then received which identifies the responsibilities for reporting and inspection. The NYS regional engineer and assigned field staff are responsible to coordinate/communicate with the assigned PHMSA team leader.

For intrastate audits:

Section 4 of the Staff Guidance Manual, located in R:\division\gaswater\safety\sgm\SGM Update, states that the 5-year cycle allows the Safety Section to focus its man power in areas that are subjected to have the highest risk and potential to adversely affect the public's safety. See excel file '5 year audit plan 2013-2017' located in R:\division\gaswater\safety\forms.

- 
- |   |                                                                                                                                                                                                                                                                                        |   |   |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 2 | IMP and DIMP Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Yes = 1 No = 0 Needs Improvement = .5

### Evaluator Notes:

Section 4 of the Staff Guidance Manual, located in R:\division\gaswater\safety\sgm\SGM Update. This procedure provides guidance for utilizing federal inspection forms, protocols, and posting the reports/findings on the LAN. (4.5)

IMP Inspections: Staff will continue to inspect IMP work being carried out by the LDCs and document its findings on PHMSA Form 16 ? NG/19 - Liquid. All forms to be sent to Michael Moll for entry into the IM database.

DIMP Inspections: The comprehensive DIMP Plan audits have been completed and their results uploaded to the DIMP database. The recommendation letters, any associated findings, and audit documentation can be found at the following location: T:\division\gaswater\safety\DIMP.

- 
- |   |                                                                                                                                                                                                                                                                              |   |   |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 3 | OQ Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Yes = 1 No = 0 Needs Improvement = .5

### Evaluator Notes:

Section 4 of the Staff Guidance Manual, located in R:\division\gaswater\safety\sgm\SGM Update. This procedure addresses plan reviews, the responsible party for inputting the audit results, field assessments, violations noted, and guidance for any issues/situations which requires clarification. All forms to be sent to Brett Mahan for entry into the OQ database.

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- |   |                                                                                                                                                                                                                                                                                             |   |   |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 4 | Damage Prevention Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Yes = 1 No = 0 Needs Improvement = .5

### Evaluator Notes:

Section 8 of the Staff Guidance Manual, located in R:\division\gaswater\safety\sgm\SGM Update. This procedure provides guidance for performing field investigations, the citation forms used, routing and final dispensation of Part 753 citations, notifications for probable violations, and investigative hearings.

- 5 Any operator training conducted should be outlined and appropriately documented as needed. 1 1  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Section 4.12 of the Staff Guidance Manual, located in R:\division\gaswater\safety\sgm\SGM Update. This procedure provides guidance for on-the-job training, USDOT training and seminars, and other third party training.

- 6 Construction Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. 1 1  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Section 6 of the Staff Guidance Manual, located in R:\division\gaswater\safety\sgm\SGM Update. This procedure provides guidance for performing reviews of construction plans, gathering lines, pipelines operating over 125-psig, pipelines operating at less than 125-psig, pressure upgrading, and ILI inspections.

- 7 Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? 6 6  
Yes = 6 No = 0 Needs Improvement = 1-5
- a. Length of time since last inspection (Within five year interval) Yes ☒ No ☐ Needs Improvement ☐
- b. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities) Yes ☒ No ☐ Needs Improvement ☐
- c. Type of activity being undertaken by operators (i.e. construction) Yes ☒ No ☐ Needs Improvement ☐
- d. Locations of operators inspection units being inspected - (HCA's, Geographic areas, Population Density, etc) Yes ☒ No ☐ Needs Improvement ☐
- e. Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors) Yes ☒ No ☐ Needs Improvement ☐
- f. Are inspection units broken down appropriately? Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

See excel file '5 year plan WITH 2013 Record Stat Sheet-2-21-13' located in each operators '5 Year Audit Plan' folder on the R:\ drive. This plan depicts the high, medium, and low risk functions broken down on a 5 year audit basis. The high risk functions are audited yearly, the medium risk functions every other year, and the low risk functions on a 5 year basis.

See Section 4.3 in the Staff Guidance Manual, which states that "the Five Year Audit Schedule may be modified by the Supervising engineer at any time. If, for example, serious deficiencies are found during the audit of a particular function, and that function is scheduled for audit every other year, the schedule maybe modified to audit that function annually, or at least the next year, to check for compliance."

See Section 4.3 in the Staff Guidance Manual which states that "the five year cycle allows the Safety Section to focus our man power in areas that are judged to have the highest risk and potential to adversely affect the public's safety."

See the Staff Guidance Manual and Rate/Merger Cases. The Staff Guidance Manual breaks down the audit functions on a 5 year cycle to allow for consistent auditing of each operator throughout the state. Several of the operator's rate/merger case agreements now include enforcement measures for high and other risk functions.

Inspection units appear to be broken down appropriately

- 8 General Comments: Info Only Info Only  
Info Only = No Points

Evaluator Notes:

Total points scored for this section: 13  
Total possible points for this section: 13

**PART C - Program Performance****Points(MAX) Score**

- 1** Was ratio of Total Inspection person-days to total person days acceptable? (Director of State Programs may modify with just cause) Chapter 4.3 5 5  
Yes = 5 No = 0

A. Total Inspection Person Days (Attachment 2):  
3463.38

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):  
220 X 21.83 = 4802.05

Ratio: A / B  
3463.38 / 4802.05 = 0.72

If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0  
Points = 5

**Evaluator Notes:**

Ratio .72 - 3463 field days, 21+ inspectors. In CY2015 part year changed on how counting field days to bring more accurate than previous years. Inspectors physically spend most of time at operator location completing inspections.

- 2** Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines Appendix C for requirements) Chapter 4.4 5 5  
Yes = 5 No = 0 Needs Improvement = 1-4

- |    |                                                                                                                        |                                      |                          |                                         |
|----|------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------|-----------------------------------------|
| a. | Completion of Required OQ Training before conducting inspection as lead?                                               | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Completion of Required DIMP*/IMP Training before conducting inspection as lead? *Effective Evaluation CY2013           | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Root Cause Training by at least one inspector/program manager                                                          | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Note any outside training completed                                                                                    | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e. | Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector. | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

**Evaluator Notes:**

Review completed of training. No issues founds.

- 3** Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1 2 2  
Yes = 2 No = 0 Needs Improvement = 1

**Evaluator Notes:**

No issues found on program knowledge and regulations.

- 4** Did state respond to Chairman's letter on previous evaluation within 60 days and correct or address any noted deficiencies? (If necessary) Chapter 8.1 2 2  
Yes = 2 No = 0 Needs Improvement = 1

**Evaluator Notes:**

Letter was responded to within 60 days and deficiencies were addressed adequately.

- 5** Did State hold PHMSA TQ Seminar in Past 3 Years? Chapter 8.5 2 2  
Yes = 2 No = 0

**Evaluator Notes:**

Yes. Last seminar was held in Saratoga Springs on September 24/25/26, of 2013. Next seminar will be held in Canandaigua on September 13/14/15 of 2016.

- 6** Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1 5 5  
Yes = 5 No = 0 Needs Improvement = 1-4

**Evaluator Notes:**

Yes. Reviewed inspection records

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- |   |                                                                                                                                                                                                                               |   |   |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 7 | Did inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Did State complete all applicable portions of inspection forms?<br>Chapter 5.1<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 1 |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
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Evaluator Notes:

Found improvement needed and review of federal forms needed to ensure all areas are covered. specifically operator records need to be reviewed 192.517 review of records of pipeline testing and installation.

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- |   |                                                                                                                                                                                                                    |   |   |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 8 | Did the state review operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken?<br>(NTSB) Chapter 5.1<br>Yes = 1 No = 0 | 1 | 1 |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
- 

Evaluator Notes:

Yes. Graphitization is covered and documented, where applicable, in the excel file '5 year plan WITH 2013 Record Stat Sheet-2-21-13' located in each operators '5 Year Audit Plan' folder on the R:\ drive.

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- |   |                                                                                                                                                                                                                                                                                                                                        |   |   |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 9 | Did the state review operator procedures for surveillance of cast iron pipelines, including appropriate action resulting from tracking circumferential cracking failures, study of leakage history, or other unusual operating maintenance condition? (Note: See GPTC Appendix G-18 for guidance) (NTSB) Chapter 5.1<br>Yes = 1 No = 0 | 1 | 1 |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
- 

Evaluator Notes:

Yes. Surveillance of cast iron pipelines is covered and documented, where applicable, in the excel file '5 year plan WITH 2013 Record Stat Sheet-2-21-13' located in each operators '5 Year Audit Plan' folder on the R:\ drive.

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- |    |                                                                                                                                                                                                                                                                                                                                                                                                   |   |   |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 10 | Did the state review operator emergency response procedures for leaks caused by excavation damage near buildings and determine whether the procedures adequately address the possibility of multiple leaks and underground migration of gas into nearby buildings Refer to 4/12/01 letter from PHMSA in response to NTSB recommendation P-00-20 and P-00-21? (NTSB) Chapter 5.1<br>Yes = 1 No = 0 | 1 | 1 |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
- 

Evaluator Notes:

The Commission issued its Gas Emergency Plan Final Order (Case 13-G-0484) on December 18, 2013. The order requires LDCs to submit emergency plans with consideration of the best practices developed by Staff, and in conjunction with working group efforts at Staff's 2013 Pipeline Safety Seminar. Forms and a tracking document have been created and maintained by Patrick Raichel. These plans were reviewed during the 2014 calendar year. Results were presented to the Commission in November 2014. Will be part of emergency plan review in future inspections and on specialized audit schedule.

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|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 11 | Did the state review operator records of previous accidents and failures including reported third party damage and leak response to ensure appropriate operator response as required by 192.617? Chapter 5.1<br>Yes = 1 No = 0 | 1 | 1 |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
- 

Evaluator Notes:

Yes. All incident and accident notifications received are reviewed and documented in the 'INL' access database which is located in T:\division\gaswater\safety.

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|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 12 | Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues?<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
- 

Evaluator Notes:

Yes. Review incorporated in with the Performance Measures published in June 2016.

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- 13 Did state input all applicable OQ, DIMP/IMP inspection results into federal database in a timely manner? This includes replies to Operator notifications into IMDB database. Chapter 5.1 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes - most field inspections are entered into Primis database, program audits are now being uploaded into IA database.

- 14 Has state confirmed intrastate transmission operators have submitted information into NPMS database along with changes made after original submission? 1 1  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. NYS periodically reviews that intrastate operators have submitted information into NPMS database, along with any changes. Recommend making sure on some checklist to provide consistent verification rather than email exchange with operators.

- 15 Is the state verifying operators are conducting drug and alcohol tests as required by regulations? This should include verifying positive tests are responded to in accordance with program. 49 CFR 199 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. A comprehensive plan review was completed for all operators in 2013. The documentation is located within r:\division\gaswater\safety\Drug & Alcohol Audits. Any changes will be reviewed at intervals not exceeding 5-years.

- 16 Is state verifying operators OQ programs are up to date? This should include verification of any plan updates and that persons performing covered tasks (including contractors) are properly qualified and requalified at intervals determined in the operators plan. 49 CFR 192 Part N 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

State has reviewed some plans, NGA OQ plan apparently covers many of the operators in state and is in process of review. Need to make sure this is completed soon. No deductions on this evaluation as in process and many field inspections are done.

- 17 Is state verifying operator's gas transmission integrity management programs (IMP) are up to date? This should include a previous review of IMP plan, along with monitoring progress on operator tests and remedial actions. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart 0 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

It appears review is up to date. They do quarterly review of various performance metrics and these items are also reviewed. Recommend formalizing this process.

- 18 Is state verifying operator's gas distribution integrity management Programs (DIMP)? 2 2  
This should include a review of DIMP plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart P DIMP ? First round of program inspections should have been complete by December 2014  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. The comprehensive DIMP Plan audits have been completed and their results uploaded to the DIMP database. The recommendation letters, any associated findings, and audit documentation can be found at the following location: T:\division\gaswater\safety\DIMP.

Quarterly meetings are held with operators regarding various performance metrics. Recommend ensuring DIMP progress and reporting is an agenda item and discussed concurrently.

- 19 Is state verifying operators Public Awareness programs are up to date and being followed. State should also verify operators have evaluated Public Awareness programs for effectiveness as described in RP1162. 49 CFR 192.616 (I13-16) PAPEI Effectiveness Inspections should be conducted every four years per RP1162  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. Original plans reviewed, secondary reviews following up on issues found have been continuous

- 20 Does the state have a mechanism for communicating with stakeholders - other than state pipeline safety seminar? (This should include making enforcement cases available to public).  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Improvement needed in organization and ability for general public to access pertinent pipeline safety information and ensure priority items are adequately addressed or links provided. Pipeline regulations are not linked on site.

- 21 Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

One SRC on file, no issues

- 22 Did the State ask Operators to identify any plastic pipe and components that has shown a record of defects/leaks and what those operators are doing to mitigate the safety concerns?  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. Quarterly meetings are held with the operators to discuss advisory bulletins, pipe/component defects and their disposition, federal notices, etc.

Plastic fusion order issued to all operators  
PPDC participation by operators.

- 23 Did the state participate in/respond to surveys or information requests from NAPSRS or PHMSA?  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

No issues

- 24 If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate.  
No = 0 Needs Improvement = .5 Yes = 1

Evaluator Notes:

See Section 3.3 of the Staff Guidance Manual, located in R:\division\gaswater\safety\sgm\SGM Update. This procedure outlines the waiver/petition process which considers Public safety cost versus safety benefits, weakening/strengthening of code enforcement, applicability to other operators, effect on Federal regulations, etc.

All waivers issued have been superseded by regulatory changes.

- 25 Did the state attend the National NAPSRS Board of Directors Meeting in CY being evaluated?  
No = 0 Needs Improvement = .5 Yes = 1

Evaluator Notes:

Yes. NYS attended the National NAPSRS Board of Directors Meeting in 2015.

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**26** Discussion on State Program Performance Metrics found on Stakeholder Communication 2 2  
site - <http://primis.phmsa.dot.gov/comm/states.htm>  
No = 0 Needs Improvement = 1 Yes = 2

- a. Discussion of Potential Accelerated Actions (AA's) based on any negative trends Yes ☒ No ☐ Needs Improvement ☐
- b. NTSB P-11-20 Meaningful Metrics Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Held discussion on metrics and potential AA's. NYS has established performance metrics that mirror some of same metrics.  
No issues.

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**27** General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

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Total points scored for this section: 48.5  
Total possible points for this section: 50



## PART D - Compliance Activities

Points(MAX) Score

- |          |                                                                                                                                                                                      |                                                               |                                         |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------|
| <b>1</b> | Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1<br>Yes = 4 No = 0 Needs Improvement = 1-3 | 4                                                             | 4                                       |
| a.       | Procedures to notify an operator (company officer) when a noncompliance is identified                                                                                                | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b.       | Procedures to routinely review progress of compliance actions to prevent delays or breakdowns                                                                                        | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

### Evaluator Notes:

Yes. Section 4. Sections 4.9 and 4.10 of the Staff Guidance Manual, located in R:\division\ gaswater\safety\sgm\SGM Update. These procedures provide examples on how to accumulate violations, how to accumulate pieces of evidence, provides guidance for addressing compliance letters, and for addressing violation specifics. In addition, specific guidance on compliance meetings, high/other risk violations, and a tiered penalty system is outlined in the operator's current merger/rate case.

- |          |                                                                                                                                                                                                                                                                      |                                                               |                                         |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------|
| <b>2</b> | Did the state follow compliance procedures (from discovery to resolution) and adequately document all probable violations, including what resolution or further course of action is needed to gain compliance? Chapter 5.1<br>Yes = 4 No = 0 Needs Improvement = 1-3 | 4                                                             | 4                                       |
| a.       | Were compliance actions sent to company officer or manager/board member if municipal/government system?                                                                                                                                                              | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b.       | Document probable violations                                                                                                                                                                                                                                         | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c.       | Resolve probable violations                                                                                                                                                                                                                                          | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d.       | Routinely review progress of probable violations                                                                                                                                                                                                                     | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e.       | Were applicable civil penalties outlined in correspondence with operator(s)                                                                                                                                                                                          | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

### Evaluator Notes:

Yes. See the 'Correspondence Audits' folder for each company, which are located on the R:\ drive. Copies of audit letters and audit response letters are organized per year.

Discussion on making sure civil penalties are outlined in letters. NYS civil penalties are determined based on company annual gross revenues which will exceed PHMSA limits in most cases. Statement to that effect is outlined in compliance notifications.

- |          |                                                                                                                        |   |   |
|----------|------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>3</b> | Did the state issue compliance actions for all probable violations discovered?<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|------------------------------------------------------------------------------------------------------------------------|---|---|

### Evaluator Notes:

Yes. Annual field and record audit letters address all violations discovered and are located within their specific company folders on the R:\ drive. Per rate case agreements, enforcement protocols have been established to address the instances of non-compliances identified. Any associated penalties will be documented and tracked through the rate case proceedings.

Found no issues in actions reviewed.

- |          |                                                                                                                                   |   |   |
|----------|-----------------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>4</b> | Did compliance actions give reasonable due process to all parties? Including "show cause" hearing if necessary.<br>Yes = 2 No = 0 | 2 | 2 |
|----------|-----------------------------------------------------------------------------------------------------------------------------------|---|---|

### Evaluator Notes:

Yes. Each record audit letter states "Please provide a written response, within 30 days, outlining what actions have and/or will be taken by [the operator] to prevent similar violations from occurring. Similar to the answer provided in question #3 of this section, enforcement protocols have been established to address the instances of non-compliances identified and their associated penalties.

- |          |                                                                                                                                                                                                                                                   |   |   |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>5</b> | Is the program manager familiar with state process for imposing civil penalties? Were civil penalties considered for repeat violations (with severity consideration) or violations resulting in incidents/accidents? (describe any actions taken) | 2 | 2 |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. On March 29, 2013, General Business Law, Article 36 ? Construction and Excavation near Underground Facilities, Paragraph 765. Penalties and Liabilities was amended to state "Failure to comply with any provision of this article shall subject an excavator or an operator to a civil penalty of up to two thousand five hundred dollars for the first violation and up to an additional ten thousand dollars for each succeeding violation that occurs within a twelve month period." Also included are 25/25A compliance actions against companies for violations identified during investigations.

Compliance action Case 15-G-0171, National Grid settlement \$500,000 on soft close issue.

In rate cases decided by the Commission, gas safety performance metrics have been expanded to reflect the findings in operations and maintenance audits of Local Distribution Companies (LDCs) by which negative revenue adjustments (NRAs) are assessed for each occurrence of a violation within the LDC. To meet due process requirements, as of this writing, determinations of these revenue reductions have not been finalized. However, based upon the Joint Proposals agreed to and adopted by the NY PSC, total NRAs are expected to be in excess of \$8 million. In total, gas safety metrics and targets adopted among all LDCs set performance expectations in several key safety areas that result in NY LDCs exposure to approximately \$100,000,000 annually if performance targets are not met.

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<b>6</b>	Can the State demonstrate it is using their enforcement fining authority for pipeline safety violations?	1	1
----------	----------------------------------------------------------------------------------------------------------	---	---

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes - see previous although majority of fines appear to be connected with negative rate adjustments which are positive to rate payers and come out of shareholder rate of return.

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<b>7</b>	General Comments:	Info Only	Info Only
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Info Only = No Points

Evaluator Notes:

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Total points scored for this section: 15  
Total possible points for this section: 15



## PART E - Incident Investigations

Points(MAX) Score

- 1 Does the state have written procedures to address state actions in the event of an incident/accident? 2 2

Yes = 2 No = 0 Needs Improvement = 1

### Evaluator Notes:

Yes. Chapter 9 of the SGM. This chapter guidance for coordinating federal and state procedures, cooperating with other federal agencies, media contact, notifications for both, business and non-business hours, emergency notification updates, confidentiality notices, internal notifications, field reports, reports to the commission, and consumer complaint investigations.

- 2 Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports? And did state keep adequate records of Incident/Accident notifications received? Chapter 6 2 2

Yes = 2 No = 0 Needs Improvement = 1

- a. Acknowledgement of MOU between NTSB and PHMSA (Appendix D) Yes ☒ No ☐ Needs Improvement ☐
- b. Acknowledgement of Federal/State Cooperation in case of incident/accident (Appendix E) Yes ☒ No ☐ Needs Improvement ☐

### Evaluator Notes:

Yes. Chapters 9.3.1 and 9.3.2 of the SGM. During business hours, notifications are received by the Albany Office Staff and recorded on form 'GW-1 Section Incident Notification Report fillable' which is located in R:\division\gaswater\safety\sgm. Albany Engineering Staff will determine if further investigation is required and, if necessary, contact local supervision that covers the area of the incident for any required follow-up action, which may include dispatching an inspector for an on-site investigation, or contacting the utility for updated information. During non-business hours, notifications are received by employees designated on contact lists which are updated annually and provided to the operators. All information received is recorded on form 'GW-1 Section Incident Notification Report fillable'. The employee then determines whether an immediate investigation is warranted based on the information obtained and shall attempt to contact their direct supervisor, Albany Engineering Staff, or the Section Chief. All incident and accident notifications received are documented in the 'INL' access database which is located in T:\division\gaswater\safety.

- 3 If onsite investigation was not made, did state obtain sufficient information from the operator and/or by other means to determine the facts to support the decision to not go on-site? Chapter 6 1 1

Yes = 1 No = 0 Needs Improvement = .5

### Evaluator Notes:

Yes - information reviewed appeared that sufficient information received and appropriate action taken on all incidents.

- 4 Were all incidents investigated, thoroughly documented, and with conclusions and recommendations? 3 3

Yes = 3 No = 0 Needs Improvement = 1-2

- a. Observations and document review Yes ☒ No ☐ Needs Improvement ☐
- b. Contributing Factors Yes ☒ No ☐ Needs Improvement ☐
- c. Recommendations to prevent recurrences when appropriate Yes ☒ No ☐ Needs Improvement ☐

### Evaluator Notes:

Incidents reviewed appeared to have appropriate investigation, documentation and where necessary conclusions and recommendations have been made.

- 5 Did the state initiate compliance action for violations found during any incident/accident investigation? 1 1

Yes = 1 No = 0

### Evaluator Notes:

Yes, compliance actions appear to have been initiated when necessary

- |                                       |                                                                                                                                                                                                                                                                                                  |   |   |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 6                                     | Did the state assist region office by taking appropriate follow-up actions related to the operator incident reports to ensure accuracy and final report has been received by PHMSA? (validate report data from operators concerning incidents/accidents and investigate discrepancies) Chapter 6 | 1 | 1 |
| Yes = 1 No = 0 Needs Improvement = .5 |                                                                                                                                                                                                                                                                                                  |   |   |

Evaluator Notes:  
no issues

---

- |                |                                                                                                                                         |   |   |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 7              | Does state share lessons learned from incidents/accidents? (sharing information, such as: at NAPS Region meetings, state seminars, etc) | 1 | 1 |
| Yes = 1 No = 0 |                                                                                                                                         |   |   |

Evaluator Notes:  
Yes

---

- |                       |                   |           |           |
|-----------------------|-------------------|-----------|-----------|
| 8                     | General Comments: | Info Only | Info Only |
| Info Only = No Points |                   |           |           |

Evaluator Notes:

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Total points scored for this section: 11  
Total possible points for this section: 11



## PART F - Damage Prevention

Points(MAX) Score

- |   |                                                                                                                                                                                                                                                                                                |   |   |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 1 | Has the state reviewed directional drilling/boring procedures of each pipeline operator or its contractor to determine if they include actions to protect their facilities from the dangers posed by drilling and other trench less technologies? NTSB<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Yes. As directional drilling/boring procedures are submitted by each pipeline operator or its contractors, they are reviewed by the Albany Engineering Staff in addition to each affected field office. Any comments/recommendations are then provided back to the operator.

- |   |                                                                                                                                                                                                                                                                     |   |   |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 2 | Did the state inspector check to assure the pipeline operator is following its written procedures pertaining to notification of excavation, marking, positive response and the availability and use of the one call system?<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Yes. During construction monitoring, incident investigations, and 753 enforcement activities, state inspectors verify that each operator is following its written procedures pertaining to notification of excavation, marking, positive response and the availability and use of the one call system. State inspectors also respond to complaints made by operators, excavators, and third parties regarding the one call system and its process.

- |   |                                                                                                                                                                                                                                                                            |   |   |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 3 | Did the state encourage and promote practices for reducing damages to all underground facilities to its regulated companies? (i.e. such as promoting/adopting the CGA Best Practices encouraging adoption of the 9 Elements, etc.)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Yes. In addition to promoting/adopting the CGA Best Practices, the state has incorporated performance measures into the rate cases of several of the jurisdictional pipeline operators. In addition, an independent consultant was selected, in Case 13-M-0314, to audit the performance data submitted by several of the local distribution companies. The results of this audit were presented at the March 17, 2016 Session, and its recommendations are currently evaluated and implemented.

- |   |                                                                                                                                                                                                                                                                                            |   |   |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 4 | Has the agency or another organization within the state collected data and evaluated trends on the number of pipeline damages per 1,000 locate requests? (This can include DIRT and other data shared and reviewed by the pipeline safety program)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Yes. The state collects and evaluates the data associated with pipeline damages per 1,000 locate request. NYS has published the 2015 Gas Safety Performance Measures Report on June 15, 2015, in Case 16-G-0254.

- |   |                                            |  |           |
|---|--------------------------------------------|--|-----------|
| 5 | General Comments:<br>Info Only = No Points |  | Info Only |
|---|--------------------------------------------|--|-----------|

Evaluator Notes:

Total points scored for this section: 8  
Total possible points for this section: 8



- 1 Operator, Inspector, Location, Date and PHMSA Representative Info Only Info Only  
Info Only = No Points

Name of Operator Inspected:

Inspection 1 - Con Edison Astoria LNG Plant; Inspection 2 - Con Edison; Inspection 3&4 - National Grid; Inspection 5 - 7 National Fuel Gas (NFG)

Name of State Inspector(s) Observed:

See notes

Location of Inspection:

See notes section below

Date of Inspection:

See notes

Name of PHMSA Representative:

Inspection 1 - Don Martin; Inspections 2,3 & 4 - Don Martin and Jim Anderson;

Inspection 5, 6, & 7 - Agustin Lopez

Evaluator Notes:

Inspection 1 - Randy Chow - Inspector observed. The NYPSC is conducting a Standard Inspection of a LNG Plant Operator. The observation was conducted during the first day, August 16, of a multiple day inspection. The evaluation scoring and comments are only associated with the observation on August 16, 2016.

Inspection 2 - Sergey Peschenyy - Inspector Observed. August 17, 2016 The NYPSC conducted a records inspection at Con Edison's Bronx operations center. The day of the observation the inspector reviewed leak survey records for compliance with 192.723.

Inspection 3 - Sergey Peschenyy and Seresh Thomas - Inspectors Observed. August 18, 2016 The NYPSC conducted a transmission integrity management field inspection of National Grid's recently constructed 24 inch transmission line. The location of the confirmation excavation was at the intersection of 64th Ave. and 108th St. in Queens.

Inspection 4 - Sergey Peschenyy and Seresh Thomas - Inspectors Observed. August 18, 2016 The NYPSC conducted a construction inspection on a distribution main replacement and a new service line. The main location was located on 56th St. in Astoria, Queens. The service line was located at 53rd St. in Astoria, Queens.

Inspectors Evaluated: Inspection 5 ? Jordan Gaisser ; Inspection 6 - Matt DiSalvo; Inspection 7 - Terry Wazielewski

Inspection 5 - Jordan Gaisser - Inspector Observed - August 23, 2016. The NYPSC conducted a construction inspection on a distribution main replacement in North Tonawanda. The replacement was due to 3rd party damage.

Inspection 6 - Matt DiSalvo - Inspector Observed - August 24, 2016 - The NYPSC conducted an inspection of NFG's cathodic protection, leak survey, and regulator station in Buffalo.

Inspection 7 - Terry Wazielewski - Inspector Observed - August 25, 2017. The NYPSC conducted an inspection of NFG's valve maintenance in the Buffalo area.

- 2 Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? 1 1  
Yes = 1 No = 0

Evaluator Notes:

Inspection 1 - The NYPSC inspector, Ranny Chow, notified the operator of the inspection by email sent on May 27, 2016. The lead operator representative was Ari Flores, Plant Manager.

Inspection 2 - The NYPSC inspector, Sergey Peschenyy, provided advanced notice of the inspection. Operator representatives responsible for leak surveys were present.

Inspection 3 - Operator was notified the day before the inspection. Operator personnel were present and represented by an Integrity Management Engineer.

Inspection 4 - The NYPSC does not normally provide much advance notice of Construction Inspections. The operator provided a list of construction activities in the area for the day.

Inspection 5- Due to it being a construction, the operator was notified as soon as the NYPSC was aware of the 3rd party damage. The operator was given the opportunity to have representatives present.

Inspection 6 & 7 - The operator was notified in advance of the inspections. The inspections were scheduled a month in advance.

- 
- |   |                                                                                                                                                                       |   |   |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 3 | Did the inspector use an appropriate inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) | 2 | 2 |
|   | Yes = 2 No = 0 Needs Improvement = 1                                                                                                                                  |   |   |

Evaluator Notes:

Inspection 1 - The NYPSC inspector utilized the Standard Inspection of an LNG Operator form in the Inspection Agent (IA) System. He progressed through the inspection utilizing the question set in the IA online form.

Inspection 2 - Proper form was used.

Inspection 3 - Notes were taken to be transferred to IM field form. This inspection involved an observation of operator personnel taking Ultra Sonic wall thickness readings at a location indicated as an anomaly by Inline Ultra Sonic Pig.

Inspection 4 - Inspector did not carry construction form at beginning of inspection but did begin utilizing before completing inspection.

Inspection 5 - The inspector, Jordan Gaisser, was utilizing the construction inspection form at all times. She was taking notes and using it as a guide throughout her inspection.

Inspection 6 - The inspector, Matt DiSalvo, used the inspection form during his records and procedures review. He used it as a guide and entered notes while conducting the review. In the field he utilized a checklist and reviewed operator previous inspector records for regulator station and CP readings.

Inspection 7- The inspector, Terry Wazielewski, utilized the form during the office portion of the inspection and used it as a guide. During the field inspection of valve inspections, he utilized the records of previous inspections.

---

- |   |                                                                  |   |   |
|---|------------------------------------------------------------------|---|---|
| 4 | Did the inspector thoroughly document results of the inspection? | 2 | 2 |
|   | Yes = 2 No = 0 Needs Improvement = 1                             |   |   |

Evaluator Notes:

Inspection 1 - The NYPSC inspector entered the results of question into the IA online form as he progressed through the inspection.

Inspection 2 - Yes, for the portion of a Standard Inspection that this inspection covered, 192.723.

Inspection 3 - Readings were documented but follow up will be required to review any mitigating actions that may be required based upon the readings.

Inspection 4 - Yes, notes were taken to be transferred to the Construction Inspection Form.

Inspection 5 - Yes, the inspector documented the inspection results in the Construction Inspection Form.

Inspection 6 - Yes, the inspector documented all p/s readings, leak survey readings and regulator inspection results.

Inspection 7 - Yes, the inspector documented the inspection on an inspection form while the valve inspections were being performed.

---

- |   |                                                                                                                                                        |   |   |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 5 | Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps,pyrometer,soap spray,CGI,etc.) | 1 | 1 |
|   | Yes = 1 No = 0                                                                                                                                         |   |   |

Evaluator Notes:

Inspection 1 - Cathodic protection (CP) readings were taken at randomly selected test points within the LNG plant facility. Fire detection equipment tests were performed at randomly selected sensor locations. Intrusion sensors on plant security fencing was tested at three fence locations. The standby generator system was started, test readings taken and shut down. The NYPSC inspector checked the appropriateness of the CP test equipment. The NYPSC reviewed start up and shut down procedures as the operator tested the standby generator facility. No issues found with this Part G requirement.

Inspection 2 - NA, Records review only.

Inspection 3 - Yes.

Inspection 4 - Yes.

Inspection 5 - Yes, the operator had all equipment necessary to perform a pipeline replacement.

Inspection 6 - Yes, the operator had all equipment to take p/s readings, conduct leak survey and inspect regulator station.

Inspection 7 - Yes, the operator had all equipment necessary to inspect valves.

---

- |   |                                                                                                                                    |                                     |   |
|---|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|---|
| 6 | Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) | 2                                   | 2 |
|   | Yes = 2 No = 0 Needs Improvement = 1                                                                                               |                                     |   |
|   | a. Procedures                                                                                                                      | <input checked="" type="checkbox"/> |   |
|   | b. Records                                                                                                                         | <input checked="" type="checkbox"/> |   |
|   | c. Field Activities                                                                                                                | <input checked="" type="checkbox"/> |   |
|   | d. Other (please comment)                                                                                                          | <input type="checkbox"/>            |   |

Evaluator Notes:

Inspection 1 - Procedures were checked for revision reviews and dates. Records were checked and verified that operator was following through with procedures and regulation requirements. Field activities were performed as described in Question G.5.

Inspection 2 - No issues.

Inspection 3 - Procedures for examining indications found during Inline Inspection was reviewed.

Inspection 4 - No issues.

Inspection 5 - Yes, the inspector reviewed the construction procedures and OQ records.

Inspection 6 - Yes, the inspector reviewed cp procedures, leak survey procedures and regulator inspection procedures. He also reviewed records to verify compliance and conducted a field inspection.

Inspection 7 - Yes, the inspector reviewed the valve inspection procedures and records. He also conducted a field inspection of valve operations.

- 
- |   |                                                                                                                                                                                     |   |   |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 7 | Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Inspection 1 - There were no issues found with the inspector's knowledge of regulations (Part 193) or incorporated standards related to LNG facilities. All related TQ training was completed by inspector.

Inspection 2, 3 and 4 - Inspectors completed required training courses at TQ for inspection types they were conducting. There issues identified with their knowledge.

Inspection 5 - Yes the inspector has had her T&Q training necessary to perform a construction inspection. She was knowledgeable of the pipeline safety regulations and interacted with operator throughout the inspection.

Inspection 6- Yes, the inspector was knowledgeable of the pipeline safety program and regulations. He asked appropriate questions and found issues during his inspection.

Inspection 7- Yes, the inspector has been with the NYPSC many years and is very knowledgeable of the pipeline safety program and regulations.

- 
- |   |                                                                                                                                                                                       |   |   |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 8 | Did the inspector conduct an exit interview? (If inspection is not totally complete the interview should be based on areas covered during time of field evaluation)<br>Yes = 1 No = 0 | 1 | 1 |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Inspection 1 - Ranny Chow, NYPSC inspector, provided a briefing to the operator's representative at the end of the day on August 16th. He explained that this briefing covered items that were covered during the day. He would provide a complete briefing at the end of the inspection.

Inspection 2 - Inspection findings were discussed with operator personnel at the end of the day.

Inspection 3 - Inspection is not complete until a review of the readings is completed.

Inspection 4 - Yes, the NYPSC provided the operator's construction inspector with deficiencies found during the inspection; however, all related to NYPSC requirements that are more stringent than federal requirements.

Inspection 5- The inspection was not completed at the end of the evaluation so the inspector so the exit would be performed at a later date. A brief exit was performed with evaluator to discuss any issues and open items.

Inspection 6 - Yes the inspector performed an exit interview with the operator and discussed issues identified during his inspection.

Inspection 7 - Yes, the inspector performed an exit interview with the operator and discussed an issue identified during the inspection.

- 
- |   |                                                                                                                                           |   |   |
|---|-------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 9 | During the exit interview, did the inspector identify probable violations found during the inspections? (if applicable)<br>Yes = 1 No = 0 | 1 | 1 |
|---|-------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Inspection 1 - The inspector stated that no probable violations had been identified at this point in the inspection but that the inspection was not complete.

Inspection 2 - The inspector notified the operator that it had exceeded the required timeframe between leak surveys on one leak survey map.

Inspection 3 - NA, this pipeline has not been brought into service until the anomalies are examined and analyzed.

Inspection 4 - None for Part 192. All related to NYPSC requirements which are more stringent.

Inspection 5- There were no issues identified.

Inspection 6- The inspector identified that the operator's cp records were not being documented correctly. The electronic forms did not have the polarity of the cp readings as negative. All readings were positive. The operator would be working on

getting issue solved.

Inspection 7- Only issue identified was the accessibility of one valve. The valve was dug about 6 inches under ground which was discussed with the operator. The technician had to dig to get to the valve.

- 10** General Comments: 1) What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) 2) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) 3) Other.

Info Only = No Points

- |    |                                   |                                     |
|----|-----------------------------------|-------------------------------------|
| a. | Abandonment                       | <input type="checkbox"/>            |
| b. | Abnormal Operations               | <input checked="" type="checkbox"/> |
| c. | Break-Out Tanks                   | <input type="checkbox"/>            |
| d. | Compressor or Pump Stations       | <input checked="" type="checkbox"/> |
| e. | Change in Class Location          | <input type="checkbox"/>            |
| f. | Casings                           | <input type="checkbox"/>            |
| g. | Cathodic Protection               | <input checked="" type="checkbox"/> |
| h. | Cast-iron Replacement             | <input type="checkbox"/>            |
| i. | Damage Prevention                 | <input checked="" type="checkbox"/> |
| j. | Deactivation                      | <input type="checkbox"/>            |
| k. | Emergency Procedures              | <input checked="" type="checkbox"/> |
| l. | Inspection of Right-of-Way        | <input checked="" type="checkbox"/> |
| m. | Line Markers                      | <input checked="" type="checkbox"/> |
| n. | Liaison with Public Officials     | <input checked="" type="checkbox"/> |
| o. | Leak Surveys                      | <input checked="" type="checkbox"/> |
| p. | MOP                               | <input type="checkbox"/>            |
| q. | MAOP                              | <input checked="" type="checkbox"/> |
| r. | Moving Pipe                       | <input type="checkbox"/>            |
| s. | New Construction                  | <input checked="" type="checkbox"/> |
| t. | Navigable Waterway Crossings      | <input type="checkbox"/>            |
| u. | Odorization                       | <input checked="" type="checkbox"/> |
| v. | Overpressure Safety Devices       | <input checked="" type="checkbox"/> |
| w. | Plastic Pipe Installation         | <input type="checkbox"/>            |
| x. | Public Education                  | <input checked="" type="checkbox"/> |
| y. | Purging                           | <input checked="" type="checkbox"/> |
| z. | Prevention of Accidental Ignition | <input checked="" type="checkbox"/> |
| A. | Repairs                           | <input checked="" type="checkbox"/> |
| B. | Signs                             | <input checked="" type="checkbox"/> |
| C. | Tapping                           | <input checked="" type="checkbox"/> |
| D. | Valve Maintenance                 | <input checked="" type="checkbox"/> |
| E. | Vault Maintenance                 | <input type="checkbox"/>            |
| F. | Welding                           | <input type="checkbox"/>            |
| G. | OQ - Operator Qualification       | <input checked="" type="checkbox"/> |
| H. | Compliance Follow-up              | <input type="checkbox"/>            |
| I. | Atmospheric Corrosion             | <input checked="" type="checkbox"/> |
| J. | Other                             | <input checked="" type="checkbox"/> |

**Evaluator Notes:**

Inspection 1 - The items checked above for this inspection were Abnormal Operations, Compressor or Pump Stations, Cathodic Protection, Emergency Procedures, Line Markers, Liaison with Public Officials, MAOP, Odorization, Overpressure Safety Devices, Public Education, Purging, Prevention of Accidental Ignition, Signs, OQ - Operator Qualification (for Cathodic Protection) and Atmospheric Corrosion.

Inspection 2 - Leak survey required by 192.723.

Inspection 3 - Other/Integrity management actions related to 192.933 although transmission line has not been put into service.

Inspection 4 - New Construction.

OQ qualifications were verified for individuals completing covered tasks in Inspections 1 through 4.

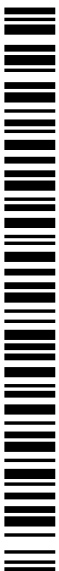
Inspection 5 - Tapping and repair procedures were reviewed. All OQ records of the technicians performing tasks were reviewed.

Inspection 6 - CP, leak survey and regulator inspection procedures and records were reviewed. The inspector observed cp readings, leak surveys and regulator station inspection. OQ records were also reviewed of technicians performing tasks.

Inspection 7 - The inspector reviewed valve maintenance procedures and records. He observed valve maintenance/inspections during the field inspection. OQ records were reviewed of technicians performing valve maintenance.

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Total points scored for this section: 12  
Total possible points for this section: 12



**PART H - Interstate Agent State (If Applicable)****Points(MAX)    Score**

- |          |                                                           |   |   |
|----------|-----------------------------------------------------------|---|---|
| <b>1</b> | Did the state use the current federal inspection form(s)? | 1 | 1 |
|          | Yes = 1 No = 0 Needs Improvement = .5                     |   |   |

Evaluator Notes:  
See final notes

- |          |                                                                                                                          |   |   |
|----------|--------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>2</b> | Are results documented demonstrating inspection units were reviewed in accordance with "PHMSA directed inspection plan"? | 1 | 1 |
|          | Yes = 1 No = 0 Needs Improvement = .5                                                                                    |   |   |

Evaluator Notes:

- |          |                                                                                                                               |   |   |
|----------|-------------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>3</b> | Did the state submit documentation of the inspections within 60 days as stated in its latest Interstate Agent Agreement form? | 1 | 1 |
|          | Yes = 1 No = 0 Needs Improvement = .5                                                                                         |   |   |

Evaluator Notes:

- |          |                                                                                                                                                                                                                                                                  |   |   |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>4</b> | Were probable violations identified by state referred to PHMSA for compliance? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) | 1 | 1 |
|          | Yes = 1 No = 0 Needs Improvement = .5                                                                                                                                                                                                                            |   |   |

Evaluator Notes:

- |          |                                                                                                                                    |   |    |
|----------|------------------------------------------------------------------------------------------------------------------------------------|---|----|
| <b>5</b> | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? | 1 | NA |
|          | Yes = 1 No = 0 Needs Improvement = .5                                                                                              |   |    |

Evaluator Notes:

- |          |                                                                                             |   |   |
|----------|---------------------------------------------------------------------------------------------|---|---|
| <b>6</b> | Did the state give written notice to PHMSA within 60 days of all probable violations found? | 1 | 1 |
|          | Yes = 1 No = 0 Needs Improvement = .5                                                       |   |   |

Evaluator Notes:

- |          |                                                                                                            |   |   |
|----------|------------------------------------------------------------------------------------------------------------|---|---|
| <b>7</b> | Did the state initially submit documentation to support compliance action by PHMSA on probable violations? | 1 | 1 |
|          | Yes = 1 No = 0 Needs Improvement = .5                                                                      |   |   |

Evaluator Notes:

- |          |                       |           |           |
|----------|-----------------------|-----------|-----------|
| <b>8</b> | General Comments:     | Info Only | Info Only |
|          | Info Only = No Points |           |           |

Evaluator Notes:  
No issues come to mind. Looking at the attached rating form, I would give NY a Yes (score 1) for all 7 categories for 2015 and 2016 year to date.

My main contact at NYSDPS is Brett Mahan, who has been very responsive to Interstate Agent work, and any special requests from PHMSA Eastern Region. In addition Kevin Speicher, or Brett Mahan, occasionally gives the Eastern Region a heads up on conditions that may fall under item 5 of your attachment.

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Total points scored for this section: 6  
Total possible points for this section: 6



**PART I - 60106 Agreement State (If Applicable)****Points(MAX)    Score**

- |          |                                                                                                    |   |    |
|----------|----------------------------------------------------------------------------------------------------|---|----|
| <b>1</b> | Did the state use the current federal inspection form(s)?<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|----------------------------------------------------------------------------------------------------|---|----|

Evaluator Notes:

- |          |                                                                                                                                                        |   |    |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------|---|----|
| <b>2</b> | Are results documented demonstrating inspection units were reviewed in accordance with state inspection plan?<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------|---|----|

Evaluator Notes:

- |          |                                                                                                                                                                                                                                                                                                                  |   |    |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----|
| <b>3</b> | Were any probable violations identified by state referred to PHMSA for compliance?<br>(NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----|

Evaluator Notes:

- |          |                                                                                                                                                                             |   |    |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----|
| <b>4</b> | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment?<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----|

Evaluator Notes:

- |          |                                                                                                                                      |   |    |
|----------|--------------------------------------------------------------------------------------------------------------------------------------|---|----|
| <b>5</b> | Did the state give written notice to PHMSA within 60 days of all probable violations found?<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--------------------------------------------------------------------------------------------------------------------------------------|---|----|

Evaluator Notes:

- |          |                                                                                                                                                              |   |    |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----|
| <b>6</b> | Did the state initially submit adequate documentation to support compliance action by PHMSA on probable violations?<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----|

Evaluator Notes:

- |          |                                            |           |           |
|----------|--------------------------------------------|-----------|-----------|
| <b>7</b> | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|----------|--------------------------------------------|-----------|-----------|

Evaluator Notes:

Section not applicable

Total points scored for this section: 0  
Total possible points for this section: 0